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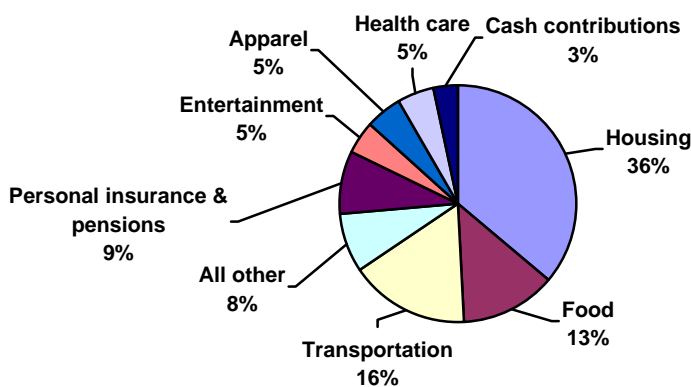
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## CONSUMER SPENDING PATTERNS IN CHICAGO-GARY-KENOSHA, 1998-99

Consumer units<sup>1</sup> in the Chicago-Gary-Kenosha metropolitan area spent an average of \$38,156 per year in 1998-99, 5.2 percent more than the national average and 1.0 percent above total expenditures made in 1996-97, according to the Bureau of Labor Statistics of the U.S. Department of Labor. Chicago area households spent more for food, housing, and apparel than did households nationwide. However, spending on transportation and entertainment was below the U.S. average.

The average Chicago household spent 65.7 percent of its budget for food, housing, and transportation, close to the national average of 65 percent. (See table 1.) The percentage of Chicago's budget spent on these three items was lower than in other selected large metropolitan areas including Detroit (67.6 percent), Los Angeles (66.4 percent), and New York (66.8 percent). (Geographical boundaries of areas referenced in this release are contained in the technical note.)

**Chicago Expenditure Shares  
Consumer Expenditure Survey 1998-99**



<sup>1</sup> See technical note for definition of a consumer unit. The terms consumer unit and household are used interchangeably throughout the text for convenience.

This report contains annual data averaged over a two-year period - 1998 and 1999. The data are from the Consumer Expenditure Survey, which is collected on an ongoing basis by the U.S. Bureau of the Census for the Bureau of Labor Statistics (BLS). The Consumer Expenditure Survey is the only national survey that provides both complete data on household expenditures and the demographic characteristics of those households. Survey data cannot be used to make cost of living comparisons between areas. Expenditures vary among areas not only because of economic factors such as the price of goods and services and family income, but also because of differences such as the age of the population, climate, consumer tastes, family size, etc. The survey provides average expenditures for consumer units. An individual consumer unit may spend more or less than the average, depending on its particular characteristics.

On average, spending on housing accounted for 36.0 percent of total household expenditures in the Chicago area. Among other large metropolitan areas, expenditure shares for housing were similar in Los Angeles (36.9 percent) and New York (36.8 percent), and lower in Detroit (34.2 percent). Nationally, households spent 32.7 percent on housing in the 1998-99 period. The majority of housing expenditures in Chicago (61.2 percent) went for shelter, which includes mortgage interest, property taxes, repairs, and rent, among other items. Spending on utilities, fuels and services comprised 19.3 percent of the housing budget. This was above expenditure shares for this category in Los Angeles and New York but below that in Detroit. (See table A.) On average, utility costs accounted for 20.2 percent of a typical household's expenses in the U.S. The rate of home ownership in Chicago, at 64 percent, was very close to the national average of 65 percent. By contrast, the rate of homeownership in both New York and Los Angeles was 53 percent, while in Detroit it was 71 percent.

Table A. Percent distribution of housing expenditures for the U.S. and selected areas, 1998-99

Item	U.S. Average	Chicago	Detroit	Los Angeles	New York
Total	100.0	100.0	100.0	100.0	100.0
Shelter	57.8	61.2	58.4	63.3	65.2
Utilities, fuels & services	20.2	19.3	20.0	14.2	16.0
Household operations	5.1	3.8	5.2	7.9	4.7
Housekeeping supplies	4.1	4.1	4.3	2.9	3.1
Household furnishings	12.7	11.6	12.2	11.7	11.0

Transportation was the second largest expenditure category in the Chicago area, accounting for 16.3 percent of a household's budget. Expenditure shares for transportation were higher in Los Angeles (17.5 percent) and Detroit (18.8 percent), which also matched the average for the Nation. In contrast, New York households spent 15.8 percent of their total household budget on transportation. Of the \$6,233 annual expenditure on transportation in Chicago, 90.9 percent was spent buying and maintaining private vehicles. (See table 2 for detailed expenditure levels). The average number of private vehicles owned by Chicago households, at 1.6, was below

the 1.9 vehicles owned by households nationally. The remaining 9.1 percent of a Chicago household's transportation costs was spent on public transportation.

Chicago households spent 13.3 percent of their budget on food, close to the 13.6 percent national average. Expenditure shares for food were slightly higher in Detroit and New York at 14.6 and 14.2 percent, respectively, and lower in Los Angeles, at 12.0 percent. Chicago consumer units spent 55 percent of their food budget on food prepared at home--below the national average of 57.9 percent. The remaining 45 percent of the Chicago household food budget was spent on food prepared away from home, such as restaurant meals, carry-outs, board at school, and catered affairs.

Payments for personal insurance and pensions accounted for 8.6 percent of the typical Chicago household budget. The portion of expenditures spent on this category in Los Angeles (9.9 percent) and a New York (9.2 percent) were closer to the 9.4 percent national average. Detroit households spent a smaller share of their budget on personal insurance and pensions at 8.1 percent. Social Security and pension contributions accounted for almost 88 percent of a Chicago household's expenses in this category.

Spending on apparel and services accounted for 4.9 percent of total expenditures in Chicago. This was close to the 4.7 percent national average and similar to the share spent on clothing in the other three selected areas.

Out-of-pocket health care expenses, which includes health insurance premiums, medical services, drugs (prescription and nonprescription) and medical supplies, accounted for 5.1 percent of total household expenditures in Chicago. This was close to the 5.3 percent share spent by households nationwide and the highest of the four large metropolitan areas.

Chicago area consumer units spent 4.6 percent of their budgets on entertainment. This matched the amount spent by households in New York and was similar to what was spent by those in Los Angeles. At 5.6 percent, households in Detroit spent the largest portion of their budget on entertainment among the four areas. Nationally, entertainment costs accounted for 5.1 percent of total expenditures in 1998-99.

Cash contributions accounted for 3.3 percent of all expenditures in Chicago, close to what was spent in Los Angeles and by households on average nationwide. At 1.8 and 2.3 percent, expenditure shares for this category were lower in Detroit and New York, respectively.

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### **Additional Data Available**

Data tables are available for the four Census regions and for the national average. These tables may be obtained from the Bureau's automated Fax-on-Demand service. See below. Additional tables are offered under the heading "*Tables*" on the BLS Internet site [www.bls.gov/csxhome.htm](http://www.bls.gov/csxhome.htm).

BLS Fax-on-Demand - Chicago (312) 353-1880	Number of pages	Document no.
Consumer Expenditures in 1999 - national news release (annual)	2	2705
Data tables containing consumer expenditures -		
By quintiles of income before taxes (Table 1)	3	2710
By income before taxes (Table 2)	3	2715
By age of reference person (Table 3)	3	2720
By size of consumer unit (Table 4)	3	2725
By composition of consumer unit (Table 5)	3	2730
By number of earners (Table 6)	3	2735
By housing tenure, race, Hispanic origin and type of area - urban or rural (Table 7)	3	2740
By region of residence (Table 8)	3	2745
By occupation of reference person (Table 9)	3	2750
By education of reference person (Table 10)	3	2760

### **Technical Note**

The current Consumer Expenditure Survey program began in 1980. Its principal objective is to collect information on the buying habits of American consumers. The consumer expenditure data are used in a wide variety of research by government, business, labor, and academic analysts. The data are also required for periodic revision of the Consumer Price Index (CPI). The survey consists of two components: A Diary or recordkeeping survey completed by participating consumer units for two consecutive 1-week periods which collects data on frequently purchased, smaller items, and an Interview survey in which the expenditures on larger-cost items and those that occur on a regular basis are obtained in five interviews conducted every 3 months. The data presented in this release are based on integrated data from both surveys.

Each component of the survey queries an independent sample of consumer units which is representative of the U.S. population. Over the year, about 7,500 consumer units are sampled for the Diary survey. The Interview sample is conducted on a rotating panel basis, with about 7,500 consumer units participating each quarter. The data are collected on an ongoing basis in 105 areas of the country.

The Metropolitan Statistical Areas (MSAs) covered by the Consumer Expenditure Survey represent areas designated by the U.S. Office of Management and Budget and are based on definitions in effect as of December 1992. Generally speaking, a MSA consists of one or more counties and meets specified size criteria—either it contains a city of at least 50,000 inhabitants, or it contains an urbanized area of 50,000 inhabitants, and has a population of at least 100,000 (75,000 in New England). The largest MSAs are classified as Consolidated Metropolitan Statistical Areas (CMSAs), loosely defined as metropolitan areas with a population of at least 1 million which have been divided into two or more sub-areas each having a population of at least 100,000 called Primary Metropolitan Statistical Areas (PMSAs). Due to a change in sampling frame and in area definitions, local data for the 1998-99 period are not directly comparable to data prior to 1996. The following are definitions of the areas discussed in this release:

The Chicago-Gary-Kenosha, IL-IN-WI CMSA includes the counties of Cook, DeKalb, DuPage, Grundy, Kankakee, Kane, Kendall, Lake, McHenry, and Will in Illinois; Lake and Porter in Indiana; and Kenosha in Wisconsin.

The Detroit-Ann Arbor-Flint, MI CMSA includes the counties of Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne.

The New York-Northern New Jersey-Long Island, NY-NJ-CT CMSA consists of the counties of Bronx, Dutchess, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Rockland, Suffolk, and Westchester in New York State; Bergen, Essex, Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, Union, and Warren Counties in New Jersey; Fairfield County and parts of Litchfield, Middlesex, and New Haven Counties in Connecticut; and Pike County in Pennsylvania.

The Los Angeles-Riverside-Orange County, CA CMSA includes the counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura.

### **Definitions**

**Consumer unit** A single person living alone or sharing a household with others but who is financially independent; members of a household related by blood, marriage, adoption, or other legal arrangement; or two or more persons living together who share responsibility for at least 2 out of 3 major types of expenses - food, housing, and other expenses. The terms household and consumer unit are used interchangeably for convenience.

**Complete income reporter** In general, a consumer unit that provides values for at least one of the major sources of its income such as wages and salaries, self employment income, or Social Security income. Even complete income reporters may not have provided a full accounting of all income from all sources.

Table 1. Consumer unit characteristics and percent distribution of expenditures, U.S. average and selected metropolitan areas, Consumer Expenditure Survey, 1998-99

Item	United States Average	Chicago	Detroit	Los Angeles	New York
Consumer unit characteristics:					
Income before taxes <sup>1/</sup>	\$42,770	\$47,591	\$47,539	\$51,552	\$55,680
Age of reference person	47.8	48.3	47.2	47.0	48.3
Average number in consumer unit:					
Persons	2.5	2.6	2.6	2.8	2.7
Children under 18	.7	.8	.8	.8	.7
Persons 65 and over	.3	.3	.3	.3	.3
Earners	1.3	1.4	1.3	1.4	1.4
Vehicles	1.9	1.6	2.0	1.9	1.4
Percent homeowner	65	64	71	53	53
Average annual expenditures	\$36,267	\$38,156	\$38,120	\$43,225	\$44,016
Total (percent):	100.0	100.0	100.0	100.0	100.0
Food	13.6	13.3	14.6	12.0	14.2
Alcoholic beverages	.9	1.1	.9	0.7	0.9
Housing	32.7	36.0	34.2	36.9	36.8
Apparel & services	4.7	4.9	5.4	5.0	5.3
Transportation	18.8	16.3	18.8	17.5	15.8
Health Care	5.3	5.1	4.5	4.1	4.2
Entertainment	5.1	4.6	5.6	4.4	4.6
Personal care products & services	1.1	1.1	1.4	1.1	1.1
Reading	.4	.4	.5	0.3	0.5
Education	1.7	2.5	1.0	1.5	2.2
Tobacco products & smoking supplies	.8	.7	1.1	0.4	0.7
Miscellaneous	2.4	2.0	2.2	3.1	2.1
Cash contributions	3.2	3.3	1.8	3.1	2.3
Personal insurance & pensions	9.4	8.6	8.1	9.9	9.2

<sup>1/</sup> Components of income and taxes are derived from "complete income reporters" only; see definitions.

Table 2. Average annual expenditures, U.S. average and selected metropolitan areas, Consumer Expenditure Survey, 1998-99

Item	United States Average	Chicago	Detroit	Los Angeles	New York
Average annual expenditures	\$36,267	\$38,156	\$38,120	\$43,225	\$44,016
Food	4,921	5,092	5,580	5,204	6,265
Food at home	2,848	2,802	3,126	3,013	3,374
Food away from home	2,073	2,290	2,454	2,192	2,891
Alcoholic beverages	313	411	346	297	405
Housing	11,843	13,732	13,018	15,934	16,180
Shelter	6,850	8,408	7,599	10,087	10,552
Utilities, fuels & services	2,391	2,647	2,607	2,267	2,592
Household operations	606	520	673	1,256	758
Housekeeping supplies	490	567	558	469	497
Household furnishings	1,506	1,590	1,582	1,856	1,781
Apparel & services	1,708	1,888	2,056	2,158	2,327
Transportation	6,815	6,233	7,162	7,551	6,972
Vehicle purchases (net outlay)	3,136	2,779	2,854	2,976	2,655
Gasoline & motor oil	1,036	928	1,054	1,157	877
Other vehicle expenses	2,230	1,958	2,835	2,860	2,523
Public transportation	413	568	419	558	917
Health care	1,931	1,951	1,701	1,757	1,863
Entertainment	1,844	1,771	2,123	1,905	2,007
Personal care products & services	405	429	532	472	485
Reading	160	151	178	144	216
Education	607	938	399	668	975
Tobacco products & smoking supplies	287	266	403	177	304
Miscellaneous	874	778	831	1,338	943
Cash contributions	1,150	1,249	685	1,352	1,022
Personal insurance & pensions	3,409	3,267	3,106	4,269	4,052
Life & other personal insurance	396	392	394	349	464
Pensions & Social Security	3,012	2,875	2,712	3,920	3,588